

OVERSEAS ALLOWANCES BILL

Summary of changes from the original draft submitted for agency clearance December 10, 1954

Sec. 111(7). The definition of employee has been broadened to include civilians in the service of the Government, as defined in Presidential regulations. This will make it possible to designate specifically any groups about which a question of coverage might be raised.

Sec. 123. This is a new section added to authorize the President to extend coverage of the Act to the Panama Canal Zone, either as a foreign or territorial area as deemed appropriate, in the event present independent statutory authority for extra compensation for employees in the Canal Zone is terminated for any reason. At the same time, provision is made to permit use of the authorities for transportation for college education purposes (Sec. 221(4)(ii)) and storage (Sec. 241(c)) for employees in the Canal Zone.

Sec. 124. This section has been revised in conformity with the Internal Revenue Code of 1954.

Sec. 211(1). A proviso has been added to permit payment of the temporary lodging allowances prior to departure only in the event expenditures for temporary quarters are in fact incurred, as in the case of payment upon first arrival.

Sec. 211(3). This has been changed to a payment or reimbursement authority rather than an allowance to minimize possibilities of abuse.

Sec. 221(4) (i). The language of this section follows closely that of Sec. 10(b) of P.L. 22 - 84th Congress, amending the Foreign Service Act, which authorized payment of an education allowance.

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Sec. 221(4)(ii). This language is substantially the same as the language used in Sec. 11 of P.L. 22 and provides round trip transportation to a U. S. port of entry for each dependent for secondary and for undergraduate college education purposes.

Sec. 231. Instead of providing for a representation "allowance" this section now provides for addition of a new section to the Administrative Expenses Act of 1946, P.L. 600, to authorize the use of administrative funds for representation purposes in the promotion of official policies and programs. It is considered that this will be helpful in placing such expenditures in their proper perspective, as part of the normal cost of doing business in foreign areas.

Sec. 241. Since authorized storage would be governed by actual costs (subject to weight limitations) it would be impractical to establish allowance schedules. This section has, therefore, been revised to include amendments to other pertinent legislation. In the case of the Foreign Service Act of 1946 and the CIA Act of 1949, existing provisions for storage have been amended to permit payment for packing and unpacking, transportation to and from a place of storage, and storage of household and personal effects if an employee is assigned to a post to which he cannot take or at which he cannot use such effects, or when he is away from his post under orders, or when it is in the interests of economy to store rather than ship effects; also payment for temporary storage. In all cases allowable weight limitations would limit the maximum Government liability for storage and/or transportation.

A new section is proposed for addition to the Administrative Expenses

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Act of 1946 to provide similar authority to agencies not authorized to use the Foreign Service Act.

Sec. 251. Here again it is considered that operation and maintenance of official residences properly should be treated as a normal cost of doing business abroad. This section has therefore been changed to provide for amendments to the Administrative Expenses Act of 1946, as amended, rather than to include such authority in the Allowances Bill.

Title III has been changed substantially from the original draft.

Sec. 301. This section specifies that cost-of-living allowances, prevailing rate differentials, and post differentials may be granted to employees who are U. S. citizens or nationals in Territories and possessions, and, further, prescribes a policy concerning employment in such areas.

Sec. 302. This section prescribes criteria for determining whether an employee is recruited outside a territorial area or recruited locally for purposes of establishing eligibility for the allowances and differentials provided under this title.

Sec. 311. This section authorizes a new "prevailing rate" differential. It is intended principally for employees recruited locally, but provision is made for its payment to employees recruited outside the territorial area in lieu of the cost of living allowance and post differential.

Sec. 321. This section continues authority for payment of a post differential as a recruitment and retention incentive, subject to the same 25% limitation presently applicable. It is payable only to employees recruited outside the territorial area.

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Sec. 331. This section continues authority for payment of the cost-of-living allowance, without a ceiling limitation. It too is payable only to employees recruited outside the territorial area.

Sec. 341. This is a savings provision to prevent an abrupt termination of allowance payments to employees who were recruited locally and who under present regulations are eligible for cost-of-living allowances, but who, under the proposed legislation, would not be eligible therefor. Under this section such employees would continue to be eligible for allowances provided for employees recruited outside the area, for a period of one year after issuance of regulations under Title III. However, restrictions are included to prevent any increases in allowances for this group and, in addition, to reduce the amount of the allowance payable by the amount of any increase or increases in basic compensation. In areas where a prevailing rate differential is paid the allowance would be in lieu of such differential for the prescribed period, unless the differential at least equalled the amount of the allowance, in which case the employee would be paid the differential rather than the allowance.